The National Battlefields Commission
Quarterly Financial Report
For the quarter ended June 30, 2015

Statement outlining results, risks and significant changes in operations, personnel and programs

Introduction

The National Battlefields Commission Mandate

The Commission was established in 1908 under the *Act respecting the National Battlefields in Quebec*. The Commission is a departmental corporation named in Schedule II of the *Financial Administration Act*.

The Commission's mandate is to ensure that all the cultural, recreational and natural resources of the Battlefields Park are developed in the best interest of Canadians and that the image of the Government of Canada is strengthened without compromising the historic character of the site. To achieve that goal, the Commission will acquire, preserve and develop the great historic battlefields in Quebec. In addition to Internal Services, the National Battlefields Commission has two program activities: « Conservation and Development » and « Public Education and Services ».

Further information on the mandate, roles, responsibilities and programs of The National Battlefields Commission can be found in the National Battlefields Commission's *2015-2016 Main Estimates*, available on the following website: http://www.tbs-sct.gc.ca/ems-sgd/me-bpd/20152016/me-bpd-eng.pdf page 194.

This quarterly financial report:

- should be read in conjunction with the *2015-2016 Main Estimates*;
- has been prepared by management of The National Battlefields Commission as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board;
- has not been subject to an external audit or review.

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Commission's spending authorities granted by Parliament and used by the Commission consistent with the Main Estimates for the 2015-2016 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before moneys can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the Financial Administration Act authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The Commission uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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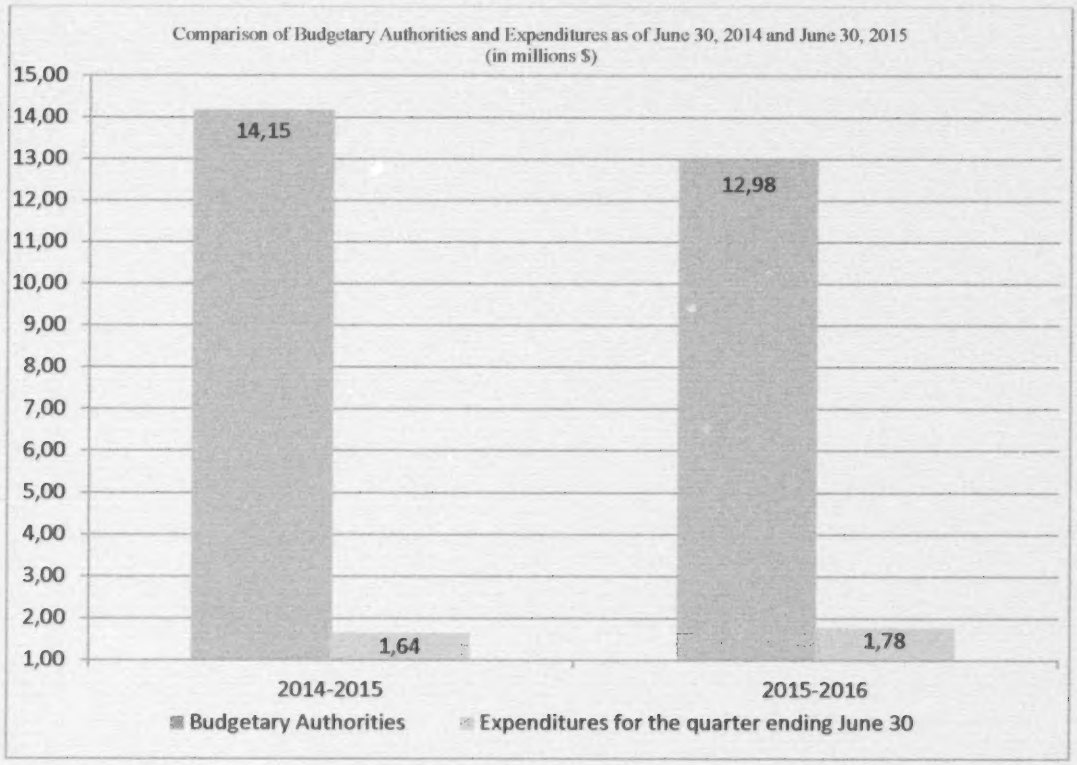
Highlights of fiscal quarter and fiscal year to date (YTD) results

This section highlights the significant items that contributed to the net decrease in resources available for the year and the net increase in actual expenditures for the quarter ended June 30, 2015.

Graph 1 :



Graph 1 outlines the budgetary authorities which represent the resources available for use for the year as of June 30.

Authorities' analysis

As at June 30, 2015, total authorities available for the year were down by $1.17 million from the same quarter of the prior year, from $14.15 million to $12.98 million. This decrease was due to a decrease in the operating budget of $1.18 million and an increase of the employee benefit plan (EBP) of $0.01 million.

The variation in the operating budget of $1.18 million comes from the combination of a net budget decrease in the amount of $3,400,000 in 2014-2015 for the redevelopment of Gilmour Hill to permit its year-round opening and the creation of a multi-purpose interpretive trail in Battlefields Park (T.B. 836990) in addition to an accepted reprofile of $2,227,733 and an increase in the allocated amount for salaries of $1,128 following the negotiations of the collective agreement. Furthermore, there was a decrease of $10,010 from the combination of a $10,000 cut following the overall Web renewal initiative and a $10 cut (interest charges).

Budgetary expenditures analysis

Compared to the previous year, total budgetary expenditures recorded at the end of the quarter, ending June 30, 2015 increased from $1.64 million to $1.78 million as per the Table of departmental budgetary expenditures by Standard Object. This $0.14 million increase represents a growth of 9% and is the result of favourable and unfavourable variances of the quarter.

The most significant increase was in *Acquisition of land, buildings and works* ($383,826) due to the redevelopment of Gilmour Hill and the new exhibition "Battles 1759-1760".

The most significant decrease is in the standard object *Other subsidies and payments* due to a one-time transition payment ($114,167) for implementing salary payment in arrears by the Government of Canada in 2014-2015.

Furthermore, in the standard object of *Personnel* there was a decrease ($84,006) due to the reversal of accrued wages payable performed in different quarters and a recovery due to leave without pay.

Finally, there was a decrease in the standard object *Utilities, materials and supplies* ($25,762) because vehicle registration fees were paid in the second quarter in 2015-2016 (first quarter in 2014-2015) and the park's lampposts were painted at the beginning of 2014-2015.

Risks and Uncertainties

This Departmental Quarterly Financial Report reflects the results of the current fiscal period in relation to the Main Estimates for which full supply was released on June 19, 2015.

The National Battlefields Commission may not achieve its objective of $1.85 million as statutory funding if for example, there is a drop in tourist traffic in 2015-2016 in comparison with 2014-2015. Most of the revenues come from parking lot fees and activities on the park.

In order to manage this risk, the Commission will perform an ongoing assessment of its expenses with relation to collected revenue and take appropriate measures in a timely manner.

Significant changes in relation to operations, personnel and programs

The 2015-2016 budget proposed by management and approved by the Board of Directors on March 11th, 2015 has the same budgetary restrictions as those adopted in 2014-2015: the Commission did not hire students for the summer in certain sectors and it will maintain the reduced work hours for an employee during the months of November to January. In addition, the number of shows at the Edwin-Bélanger Bandstand will remain reduced (28 shows instead of 32, one week less). This budget reflects wage and operating budget freezes and the willingness of the Commission to maintain quality services to park users. With an already reduced budget of $800,000 (rounded) as part of the government's initiatives to reduce the deficit, the Commission anticipates a budget freeze. An analysis of the various operating budget items in such a context of fiscal austerity shows very little leeway. Special non-recurring projects will be limited.

However, the Commission does not intend to reduce its services to the public. Be that as it may, the Commission is maintaining its objectives with regard to conserving and enhancing its territory. Urgent priority work will go on and an effort will be made to minimize safety risks to users and keep facilities in compliance.

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Approval by Senior Officials

Approved by:

The original version was signed by:
André Beaudet, Secretary – Director General

The original version was signed by:
Paule Veilleux, Director of administration

Québec, Canada
August 18, 2015

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Statement of Authorities (unaudited)

(In thousands of dollars)	Fiscal year 2015-2016			Fiscal year 2014-2015		
	Total available for use for the year ending March 31, 2016 *	Used during the quarter ended June 30, 2015	Year to date used at quarter end	Total available for use for the year ending March 31, 2015	Used during the quarter ended June 30, 2014	Year to date used at quarter end
Program expenditures	10 760	1 169	1 169	11 941	1 011	1 011
Contributions to employee benefit plans	367	92	92	360	90	90
Expenditures pursuant to subsection 29.1(1) of the Financial Administration Act	1 850	517	517	1 850	542	542
Total authorities	12 977	1 778	1 778	14 151	1 643	1 643

* Includes only Authorities available for use and granted by Parliament at quarter end.

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Departmental Budgetary Expenditures by Standard Object (unaudited)

(In thousands of dollars)	Fiscal year 2015-2016			Fiscal year 2014-2015		
	Planned expenditures for the year ending March 31, 2016	Expended during the quarter ended June 30, 2015	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2015	Expended during the quarter ended June 30, 2014	Year to date used at quarter end
Expenditures:						
Personnel	2 553	1 006	1 006	2 545	1 091	1 091
Transportation and communications	100	16	16	100	13	13
Information	300	49	49	300	43	43
Professional and special services	740	93	93	740	105	105
Rentals	70	7	7	70	17	17
Puchased repair and maintenance	776	41	41	776	57	57
Utilities, materials and supplies	890	148	148	900	173	173
Acquisition of land, buildings and works	4 798	397	397	5 970	14	14
Acquisition of machinery and equipment	150	21	21	150	16	16
Transfer payments	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	2 600	-	-	2 600	114	114
Total Expenditures	12 977	1 778	1 778	14 151	1 643	1 643